GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:139
ANSWERED ON:09.03.2017
Financial turnaround of DISCOMS
Nayak Shri B.V.

Will the Minister of POWER be pleased to state:

(a) the quantum of profit or loss of State electricity DISCOMS during the last five years, State-wise;

(b) the reasons identified by the Government for stagnation/decline in the electricity generation capacity of State power utilities;

(c) whether the Government is considering to recast the loans of State power DISCOMS; and

(d) if so, the details thereof including the debt restructuring proposals being considered and if not, the reasons therefor, State/UT-wise?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) to (d) : A Statement is laid on the Table of the House.

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STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO.139 TO BE ANSWERED IN THE LOK SABHA ON 09.03.2017 REGARDING FINANCIAL TURNAROUND OF DISCOMS.
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(a) : Power Finance Corporation (PFC) Ltd. publishes the "Report on Performance of State Power Utilities". Based on the report published by PFC Ltd., the aggregate losses for utilities selling power directly to consumers for the years 2010-11 to 2014-15 are as given below:

(Rs. in crores)

Financial Year	2010-11	2011-12	2012-13	2013-14	2014-15
Profit/(Loss) after tax on accrual basis	(49,600)	(72,639)	(70,835)	(67,041)	(56,206)
Profit/(Loss) on subsidy received basis	(51,971)	(76,877)	(71,621)	(67,336)	(58,275)

The state-wise and utility-wise details are given in Annexure.

(b) : The electricity generation capability in State Power Utilities has exceeded the target during the 12th Plan Period. The generation capacity addition target from conventional sources during the 12th Plan period was 88,537 MW which includes 15,530 MW in State Sector. Against this capacity addition target, the achievement in the state sector has been 23,162.3 MW as on 31.01.2017.

(c) & (d) : The Government of India has formulated and launched the scheme Ujwal DISCOM Assurance Yojana (UDAY) on 20.11.2015 and further extended it up to March 2017 vide OM dated 08.07.2016 for the States/UTs which could not participate in the scheme during the Financial Year (FY) 2016. UDAY allows for considering debt recast of State Power DISCOMs through issue of bonds / re-pricing of loans. UDAY aims to enable Operational Improvement and Financial Turnaround of DISCOMs through several initiatives outlined under the scheme, which include reduction of DISCOM debt & interest burden through debt recast of State DISCOMs.

Till now, 21 States and 1 UT have signed Memorandum of Understanding (MoU) under UDAY with Ministry of Power. Out of these, 7 have joined UDAY for Operational Improvement and the remaining 15 have joined for operational improvement as well as financial turnaround. The debt of these 15 States, as outstanding as on 30.09.2015 is to be recast, as per the provisions of UDAY MoU signed with these States. So far, out of total debt of approx. Rs.2,72,309.00 Cr proposed to be recast for these 15 States, Rs.2,07,277.29 Cr worth liabilities have already been restructured.

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